India's Inclusion Inflection

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India's Unique Digital Foundation is in place

It is time
to create community centric digital livelihood ecosystems that empower a billion Indians

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Centuries Old Crisis in Slow Motion

240 million
starve, 2.4 million die of starvation, malnutrition

100 million
people have 90% of India's disposable income

50% graduates
Are unemployable after completing college

India's social services compact is helping ...

Source: India Express 2018, UNDP report, UNICEF SOWC, Oxfam, Livemint

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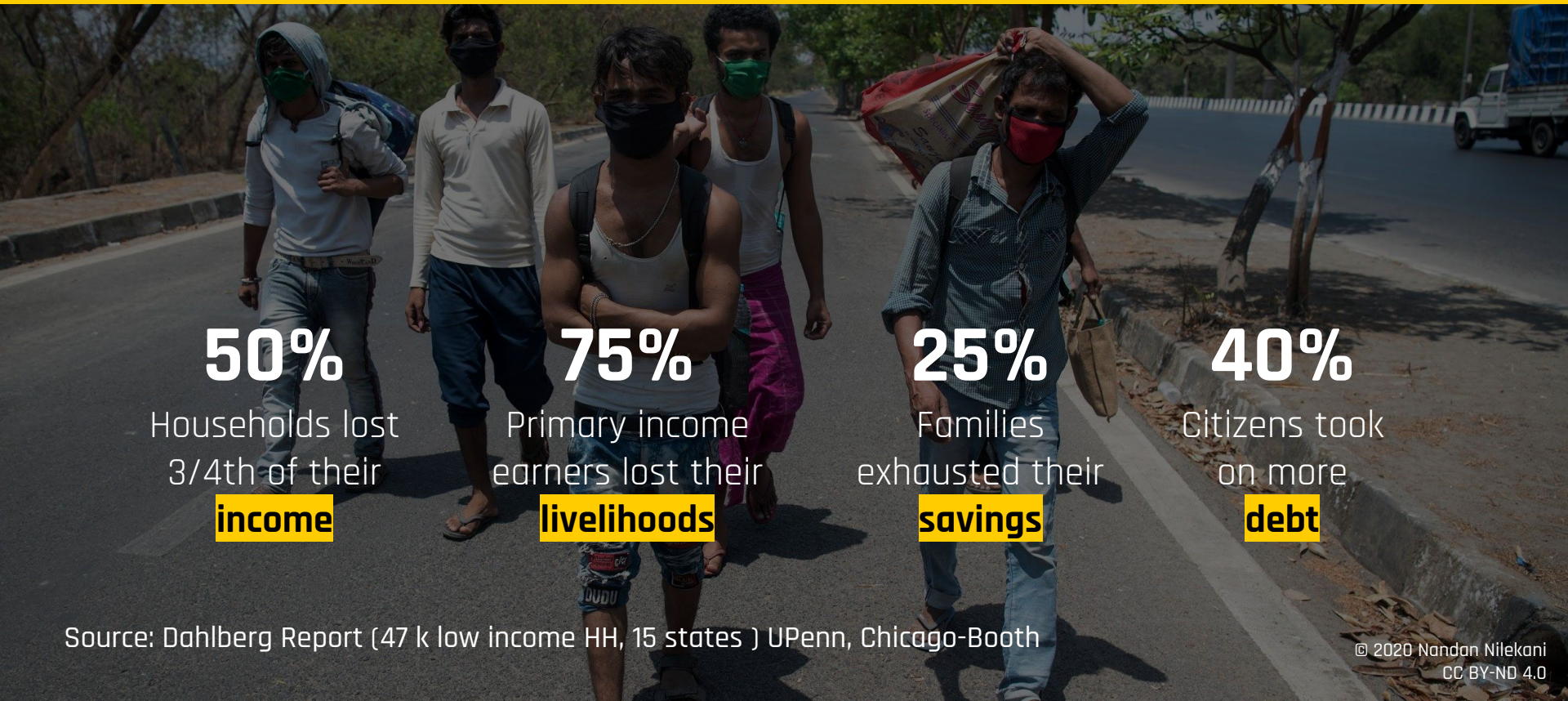
COVID-19 Breached the Development Dam



50%
Households lost 3/4th of their **income**

75%
Primary income earners lost their **livelihoods**

25%
Families exhausted their **savings**

40%
Citizens took on more **debt**

Source: Dahlberg Report (47 k low income HH, 15 states) UPenn, Chicago-Booth

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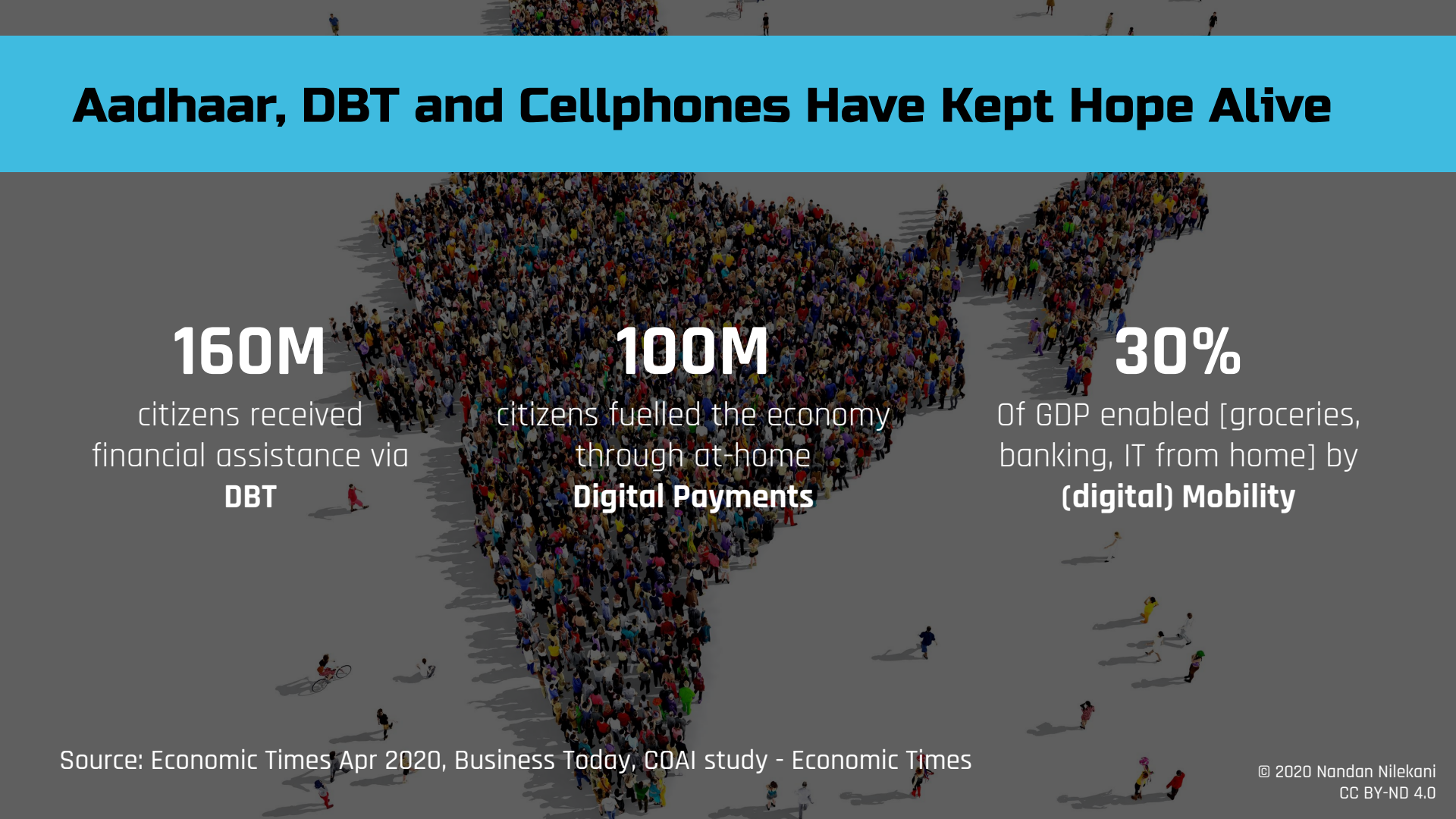
Aadhaar, DBT and Cellphones Have Kept Hope Alive



160M

citizens received financial assistance via **DBT**

100M

citizens fuelled the economy through at-home **Digital Payments**

30%

Of GDP enabled [groceries, banking, IT from home] by **(digital) Mobility**

Source: Economic Times Apr 2020, Business Today, COAI study - Economic Times

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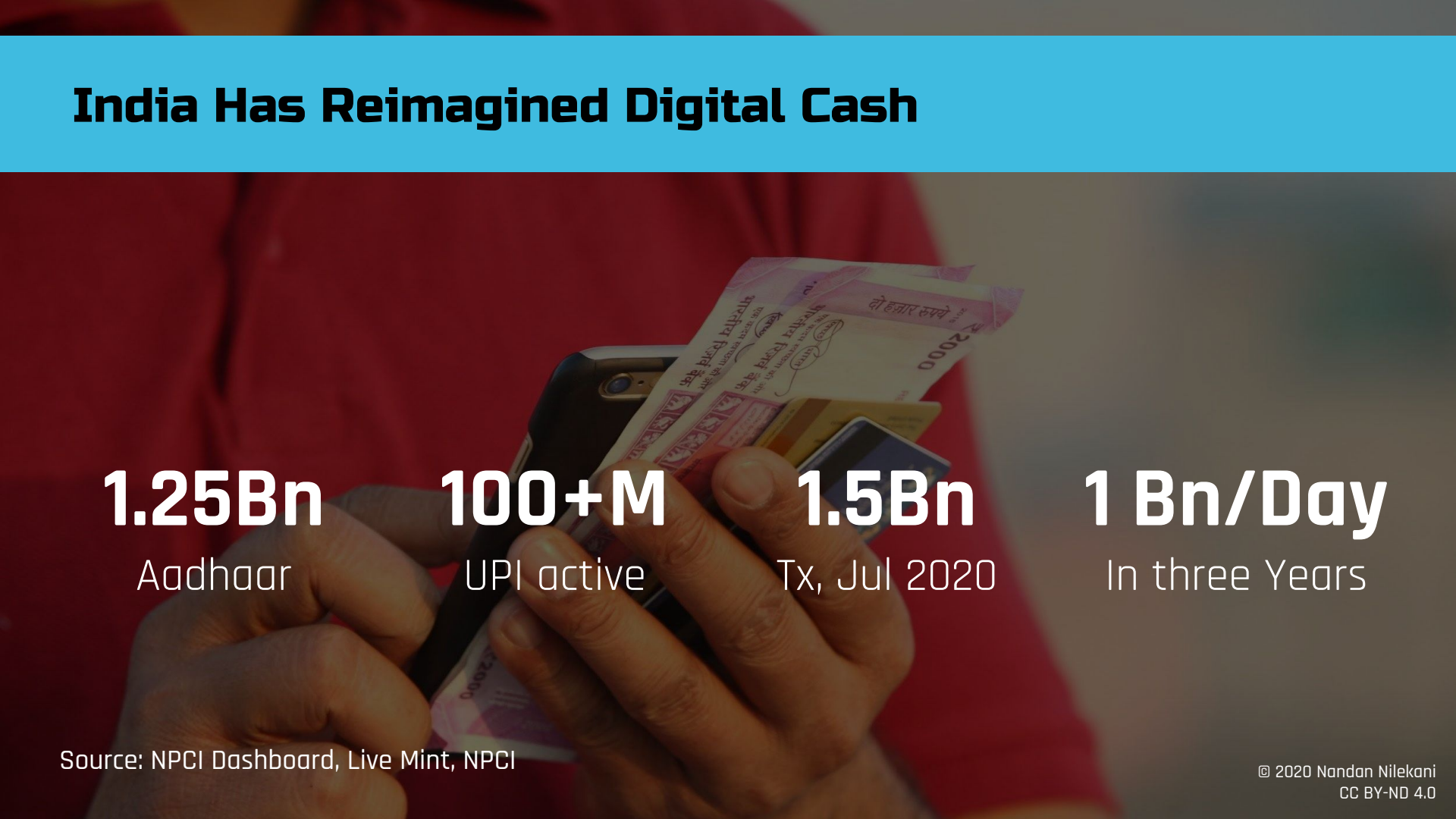
India Has Reimagined Digital Cash



1.25Bn
Aadhaar

100+M
UPI active

1.5Bn
Tx, Jul 2020

1 Bn/Day
In three Years

Source: NPCI Dashboard, Live Mint, NPCI

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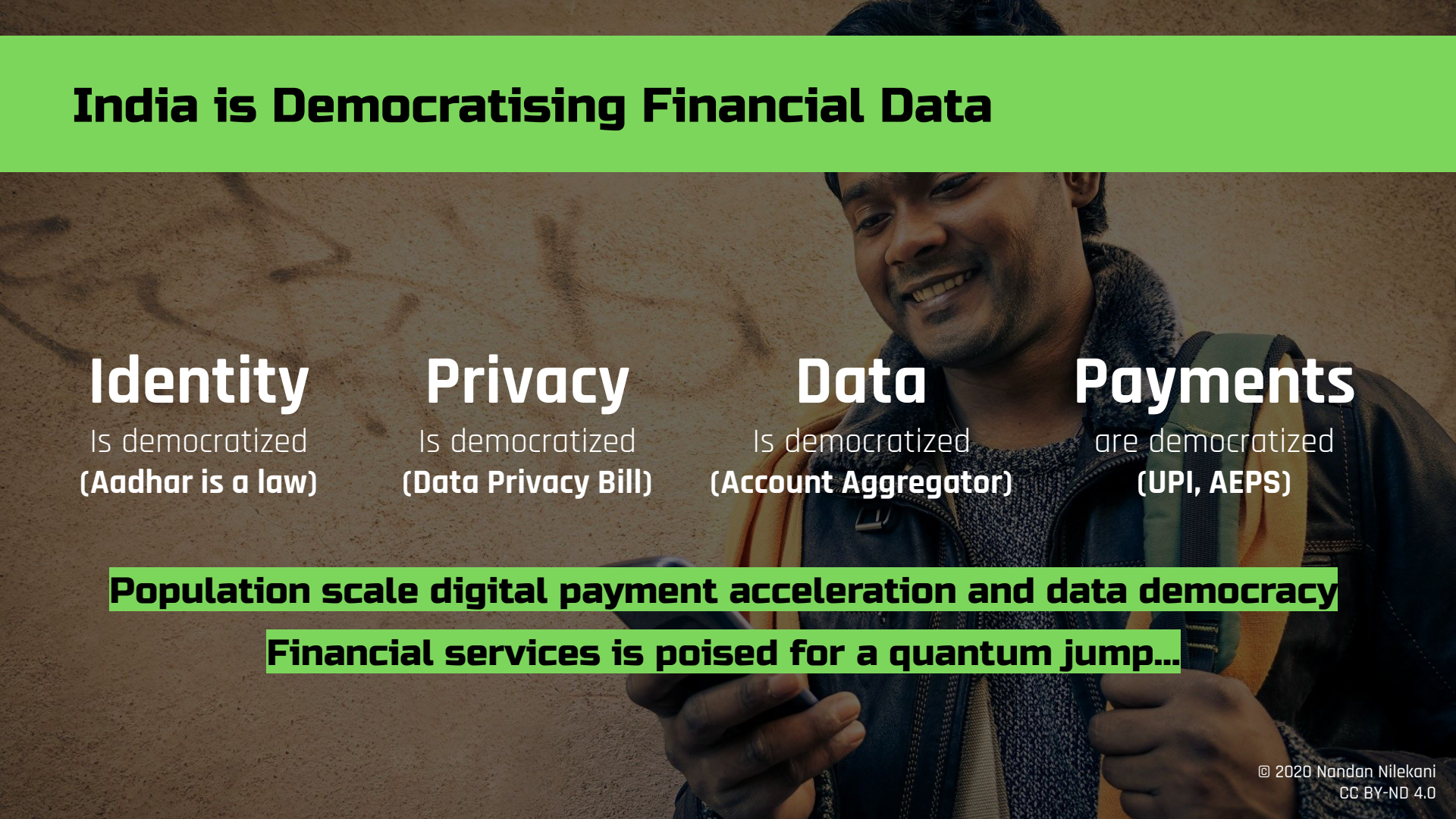
India is Democratising Financial Data



Identity
Is democratized
(Aadhar is a law)

Privacy
Is democratized
(Data Privacy Bill)

Data
Is democratized
(Account Aggregator)

Payments
are democratized
(UPI, AEPS)

Population scale digital payment acceleration and data democracy

Financial services is poised for a quantum jump...

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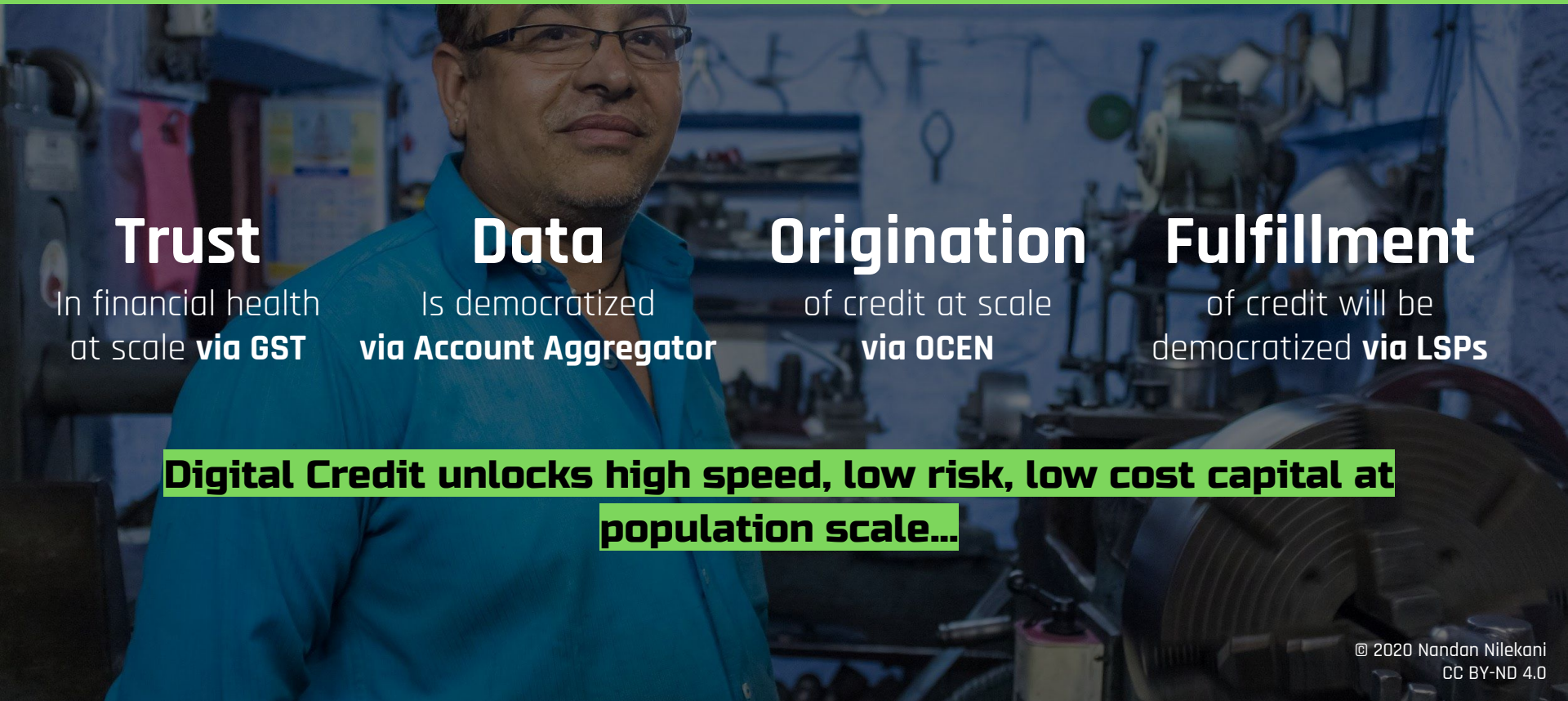
India is now Unleashing SME Credit



Trust
In financial health at scale **via GST**

Data
Is democratized **via Account Aggregator**

Origination
of credit at scale **via OCEN**

Fulfillment
of credit will be democratized **via LSPs**

Digital Credit unlocks high speed, low risk, low cost capital at population scale...

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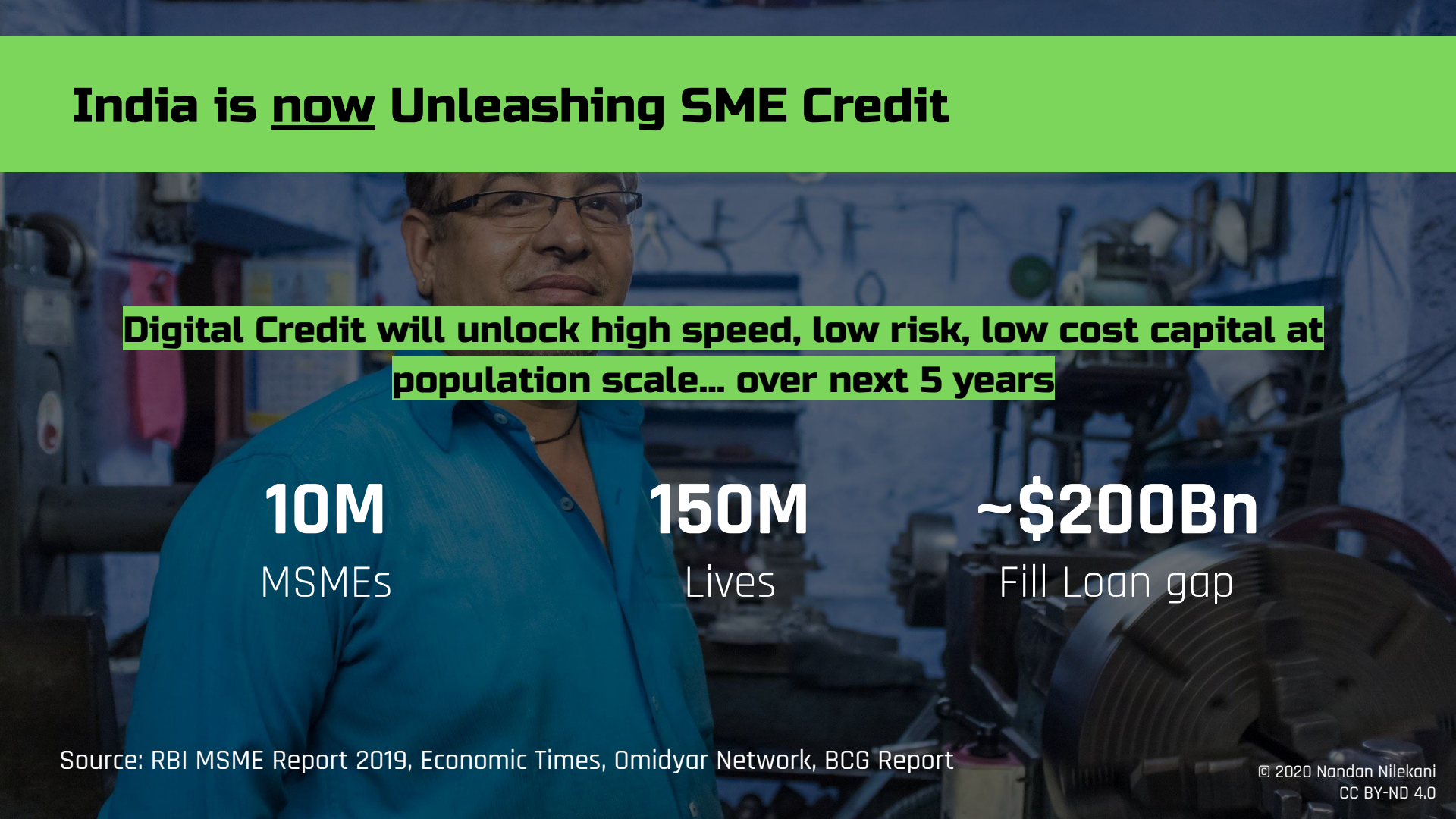
India is now Unleashing SME Credit



Digital Credit will unlock high speed, low risk, low cost capital at population scale... over next 5 years

10M
MSMEs

150M
Lives

~$200Bn
Fill Loan gap

Source: RBI MSME Report 2019, Economic Times, Omidyar Network, BCG Report

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India is the world's fastest growing fintech ecosystem

A planet scale Fintech moment is right here in India...

Source: Trend based on UPI Dashboard data

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However, True Inclusion is Just Beginning

600M Indians

Have no smartphones
No significant credit history
No access to credit (or at 30+% interest)

The gap is neither their desire, nor their capacity

The root cause is cash...

Source: ICEA Report, Financial Express, RTI filed by India Today to RBI

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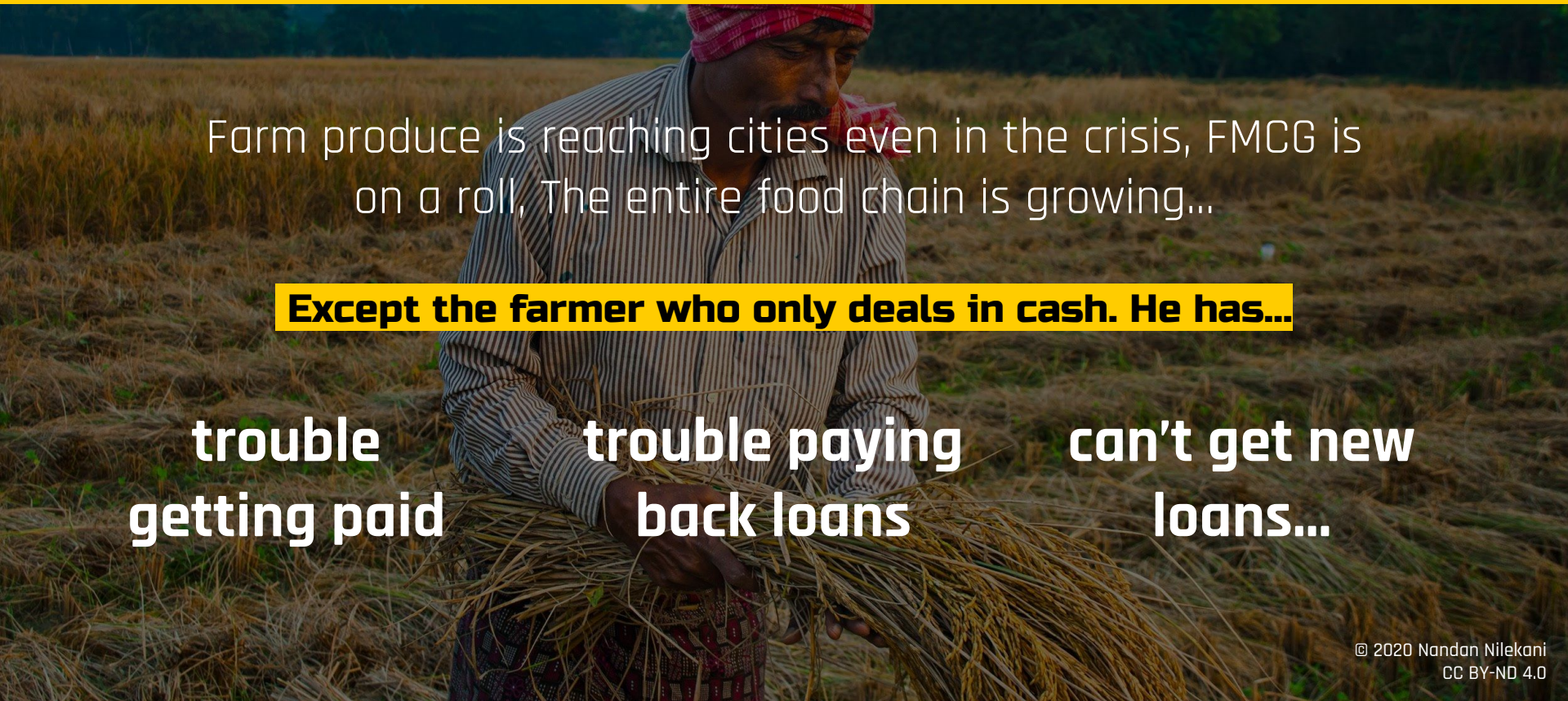
Cash Destroys Economic Velocity



Farm produce is reaching cities even in the crisis, FMCG is on a roll, The entire food chain is growing...

Except the farmer who only deals in cash. He has...

trouble getting paid

trouble paying back loans

can't get new loans...

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Dark Cash Keeps People in Darkness

Have no history of income, of produce, of work...

Source: The News Minute, Economic Times, Financial Express

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Dark Cash Keeps People in Darkness

Dark Cash, leads to **Dark Output,** leads to **Dark Credit**

Keeps 600M in **data darkness**

We dont even know on how much farmers get paid for their produce...

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We Can Digitize All Cash – by, for and of the community

UPI Merchant Cash Circular
Everyone is an ATM, enabling community to transact with each other

UPI Assisted Mode
1 smartphone neighbour, 4 dark users light up, Everyone will have digital money access

UPI on Feature Phone
Will give everyone instant access to small transactions

Phone No is the New VPA
Aadhaar face auth can be the new 2FA

Digital Cash is enormously empowering, but not enough...

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Livelihoods Remain at Perpetual Risk

140M Farmholds, 15% of GDP
60M Micro SMEs, 30% of GDP
600M adults

Unrecognized (formally), Unstable (to the smallest factors), Unpredictable (always)

Source: Financial Express, Trading Economics, Business Standard

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Livelihood Entrepreneurs are Central

The bulk of India are livelihood entrepreneurs – farmers, micro-entrepreneurs, OR Individuals seeking informal jobs from individuals

But we the elite 100M lead much simpler lives.... Why?

Source: Financial Express, Mar 2020

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For the Rest of Us... Livelihood Systems Keep Us Safe

Families - Education certificates, work experience, salaried work

MSMEs - UPI, GST, OCEN -> Medium scale entrepreneurs

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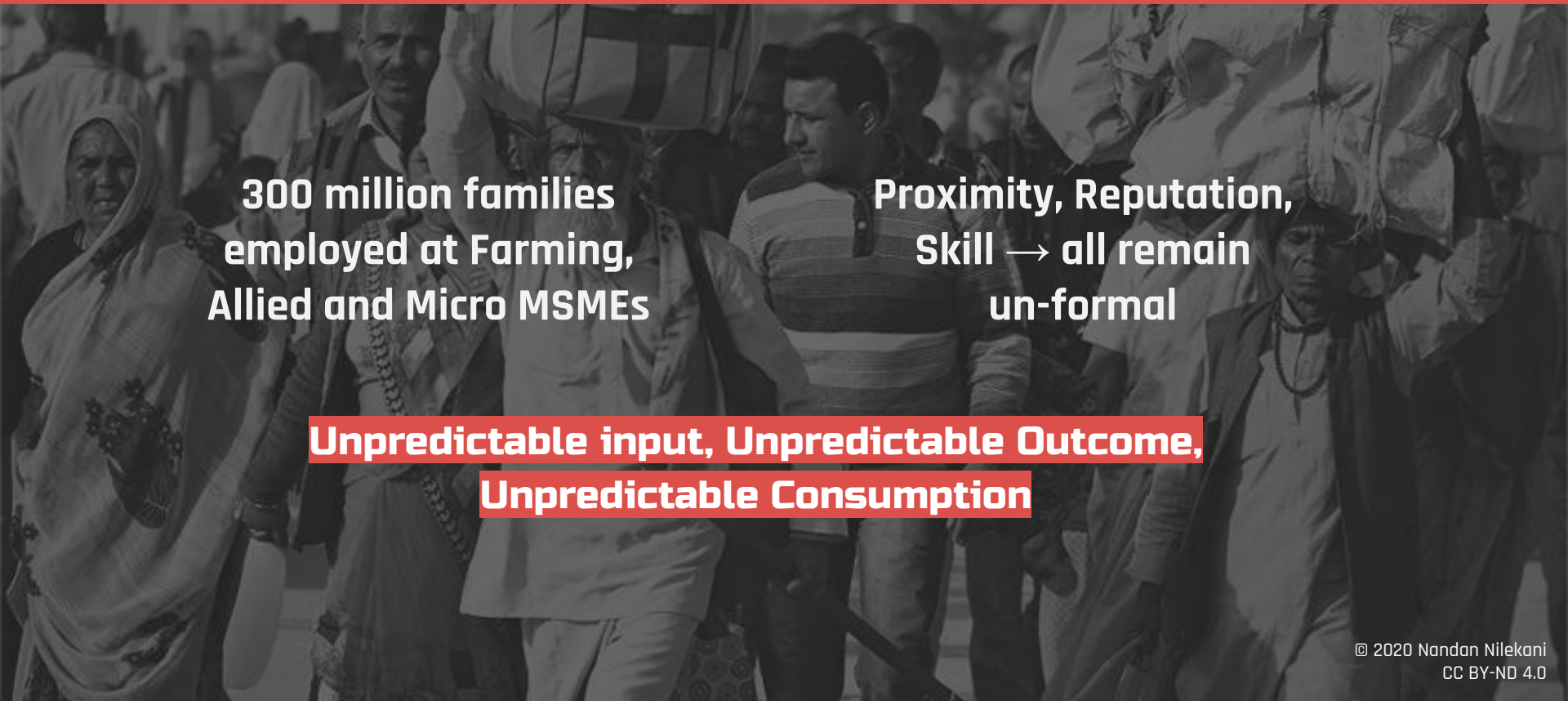
600 Million Have No Livelihood System



300 million families employed at Farming, Allied and Micro MSMEs

Proximity, Reputation, Skill → all remain un-formal

Unpredictable input, Unpredictable Outcome, Unpredictable Consumption

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600 Million, yet alone... On their own, an individual is always exploited

...because they are missing livelihood systems we enjoy...

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600 Million urgently need Livelihood Systems

And they need to have agency in these livelihood systems

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Individual is supported by community

The answer is community. When the community pivots – all three shackles fall away

But how do you enable community livelihood systems at scale?

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Individual is supported by community

Community is supported by Digital Platforms

Bring all elements of livelihood and financial systems (input, expertise, output, processing, sales, credit, savings, ...) together

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All Cash Digital + **Community Trust & Crowdsourcing** = **Community created Livelihood Systems for the next 600 Million**

End to end digital financial transactions (including digital cash) enable the excluded to be included through their transaction efficiency and their data footprints.

Digital infrastructure combined with community organizations rooted in their society, enable a way to deliver low cost livelihood services at scale and safely (e.g. low NPAs) to the hundreds of millions now excluded.

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Community centered digital platforms to digitise cash and co-create livelihood systems can perhaps empower the last 600M in India...

Thank You

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